Gap between WPI and CPI

*172. SHRI O.T. LEPCHA:
SHRI SANTOSH BAGRODIA:

Will the Minister of FINANCE be pleased to state:

(a) the monthly trends of the Wholesale Price Index (WPI) and Consumer Price Index (CPI) over the last twelve months;

(b) whether it is a fact that there has been a widening gap between the WPI and CPI;

(c) if so, the reasons therefor; and

(d) the index which is the basis of calculating the inflation in the economy?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (d) The monthly trends of the Wholesale Price Index (WPI) and Consumer Price Index for industrial workers (CPI-IW) for the last twelve months are as below:

Table 1 : Index and inflation trends of the WPI and CPI-IW

Month-year	WPI 1993-94=100	WPI based Inflation (%)	CPI (IW) 2001=100	CPI (IW) based Inflation (%)
Nov-08	234.2	8.48	148	10.45
Dec-08	229.8	6.19	147	9.70
Jan-09	228.9	4.90	148	10.45
Feb-09	227.6	3.50	148	9.63
Mar-09	228.2	1.20	148	8.03
Apr-09	231.5	1.31	150	8.70
May-09	234.3	1.38	151	8.63
Jun-09	235.0	-1.01	153	9.29
Jul-09	238.4	-0.67	160	11.89
Aug-09	240.8	-0.17	162	11.72
Sep-09	242.7(P)	0.50(P)	163	11.64
Oct-09	242.2(P)	1.34(P)	NA	NA

P: Provisional NA: Not Available

There is a gap between the inflation measured in terms of WPI and CPI-IW. This is due to the fact that whereas the WPI defines the price changes of wholesale transactions of a basket of commodities representing the entire economy, the CPI-IW measures the changes in (retail) prices of goods and services. Thus, in case of WPI, the basis of inclusion in the commodity

basket is the importance of the commodity produced or transacted in the economy whereas in the case of CPI-IW only those goods and services are included which form part of the budget of the family of the identified groups. The basket of CPI-IW, therefore, includes only a segment of the items covered in the WPI basket. The capital goods, intermediate goods and other non-consumption goods of the economy, which are included in the WPI basket, do not find place in the basket of CPI-IW. The weights of items in WPI, broadly, have been assigned in proportion to their share in the total value of transaction in the economy. In case of CPI-IW, the weights are in proportion to their share in the total consumption expenditure of the family of industrial workers in the selected centres. For example, the weight of food items in CPI-IW is 46.20 per cent as against 25.43 per cent in the case of WPI.

Inflation can be calculated on the basis of different price indices. However, WPI, having economy wide coverage, is the most commonly used index for calculating inflation in India.

Losses suffered by IA and AI

*173. SHRI SANJAY RAUT:
SHRI GOVINDRAO WAMANRAO ADIK:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether in order to extricate Indian Air Carriers, the Indian Airlines (IA) and Air India (AI) from the morass of huge losses, Government has decided to allow 49 per cent equity in these Air Carriers;

(b) if so, the losses incurred by each of the Public Sector Air Carriers during 2007-08, 2008-09 and the current year so far;

(c) whether Private sector air carriers have opposed the move; and

(d) if so, on what grounds?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) Air India had incurred a loss of Rs.2226.16 crores during year 2007-08. It has expected to incur a loss of Rs. 5,000 crores approximately (Prov.) during the year 2008-09.

(c) and (d) Do not arises.

Medical reimbursement for CGHS beneficiaries in VIP category

*174. SHRI VARINDER SINGH BAJWA: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) the number of Central Government Health Scheme (CGHS) beneficiaries in the VIP category which include former Governors, retired Judges of Supreme Court and High Courts and former MPs etc. who received cashless treatment from empanelled and other hospitals in Delhi and NCR towns, the cost of which is later reimbursed to the hospitals etc., during 2008 and 2009 (so far), year-wise; and